Programs and Services

Farm and Food Report, Week of January 30, 2006

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INDEPENDENT DEALERS ENTREPRENEURIAL ASSOCIATION TO MEET IN SASKATOON

It could be said that, beside farmers themselves, no agriculture industry player feels the repercussions of a challenging year in crop production more than independent farm dealers.

Independent agricultural retailers are often family-run operations, small to large in size, and they work directly with farmers, explains Patty Martin of the Independent Dealers Entrepreneurial Association (IDEA).

"Independent dealers are an important part of the rural economy," she says. "We play a major role in providing farmers with their supplies, including fertilizers, chemicals and fuel. If the rising cost of farm inputs and environmental issues affects producers, it also affects our members."

This is why IDEA was formed eight years ago, as a way for independent dealers to tackle the challenges faced by the industry.

"Our members are spread across Alberta and Saskatchewan, with a few in Manitoba and one in British Columbia. Because these are independent businesses, they sometimes don't have access to the same kind of capital as the large companies and it can be a struggle to compete on the same scale," Martin explains.

IDEA will hold its annual general meeting and conference on February 13, 2006, inSaskatoon.

"Our membership is relatively small but highly influential within the marketplace," she says.

The annual meeting and conference features William D. Goodbar, Jr., Managing Director of AgriCapital Corporation of New York, who will talk about the state of the agricultural industry and the changes that can be expected in the future. With the ongoing consolidation of the big players in the agricultural chemical world, and biotechnology increasingly displacing other crop inputs, many questions arise as to the impact this will have on independent ag-retailers.

"It is always everyone's best guess to determine where markets are going," Martin points out. "Mr. Goodbar represents a firm actively involved in specialized investment banking in a rapidly changing agribusiness sector. He'll be able to provide some insight into the state of our industry.

"The meeting is well attended, not only by the independent dealers, but also by large suppliers. So, if you are interested in what the influential people in the industry are up to, this is a good place to be. Farmers are welcome to attend."

The event will be held at the Sheraton Hotel. To download the agenda and registration form, visit: http://www.independentdealers.com/.

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YORKTON'S TA FOODS BUILDS NEW VENTURE ON PREVIOUS EXPERIENCE

You may recall that Yorkton's TA Foods previously developed a successful rolled oats company that employed 100 people and was sold in 2001 to Minnesota-based Grain Millers, Inc.

TA Foods owners, Terry and Ann Popowich, have since launched a new venture—this time with flax.

"We now process and package the finest flax seed products you will find anywhere," explains Terry. "Our product inventory includes a variety of packaging options for both organic and non-organic ground seed and cold-pressed oil."

Flax, known for its oil-rich seeds, is highly recommended for general well-being. It is considered to be one of nature's richest sources of omega-3 fatty acids, an important dietary element.

Studies have shown that omega-3 fatty acids help lower cholesterol and blood triglycerides, and prevent clots in arteries which may result in strokes, heart attacks and thromboses. Until recently, experts believed the best sources of omega-3 were fish oils. However, flax seed oil contains twice as much omega-3 essential fatty acids as fish oil products, without the fishy aftertaste.

In response to consumer demand, TA Food's flax products are now found in specialty and major retail outlets throughout the province, according to Popowich.

"We grind the seed to break it down because you can't use the whole flax as is. It has to be ground up so you can use it. We package it ourselves under TA Foods' brand. The packaging itself is important. The product has a good shelf life because we nitrogen flush it.

"We learned from the experience we had in oat milling. It was a chance to do something new and different. We started shipping a year ago in October."

The product is not a big mover like oats used to be, but Popowich sees the potential market as limitless.

"We are actively involved in the U.S. We started looking at Europe because there is quite a bit of demand for organic products in Europe."

Already, Popowich says his company has moved five to eight semi truckloads within a year. The flax initiative employs just three people at the moment, but TA Foods is expanding all the time.

"We are looking at the whole wheat flour sector and at other opportunities. We found a niche in processing locally produced commodities and we are building on our achievements."

To find out more about TA Food's flax products, visit: http://www.tafoods.com/.

For additional facts and health benefits related to the addition of flax in your diet, visit: http://www.flaxcouncil.ca/.

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2006 COW-CALF MANAGEMENT SCHOOLS WILL FOCUS ON WINTER FEEDING

If you are in the cattle business and you are looking at reducing your livestock production costs, or even at entering into mutually beneficial business relationships with crop producers, you may want to take in one of the four 2006 Cow-Calf Management Schools that will take place around the province later this month.

Kathy Lang, a beef economist at the Western Beef Development Centre (WBDC), is one of the organizers.

"The WBCD has been the main planner for the last six years, but we are working with an organizing committee this year that includes three representatives from Saskatchewan Agriculture and Food (SAF), livestock and forage agrologists, and we have a producer on our organizing committee. So it is truly a collaborative effort.

"These are one-day schools. They will start at 10:00 a.m. to allow producers to have a chance to finish their chores in the morning. It'll start out with a marketing and economics session and two speakers."

The first session is entitled Market Timing with Bob Brady at 10:00 a.m.

"It'll run for an hour and a half," explains Lang. "He will talk about market trends and historical trends in the cattle market that can help you make your decisions on when to take your calves to the market.

"Following up, I will be speaking on the importance of knowing your costs of production and record keeping, and getting yourself enrolled in the Verified Beef Production Program that is available through the Canadian Cattlemen's Association and Quality Starts Here."

Then, WBDC Senior Research Scientist Bart Lardner will elaborate on implementing winter-feeding sites into beef operations in order to decrease winter feeding costs.

"He will be referencing some research conducted at the Termuende Research Farm winter feeding sites on both pasture lands as well as some research trials on barley cropland involving feeding the cows on the cropland," notes Lang. "Following this, we hope to have a veterinarian coming to talk about herd health issues.

"We will also have SAF beef economist Sandy Russell. She will provide a cattle market update for participants. She will go over some of the markets as they stand at the end of February, when the schools are on. The day will wrap up with a producer from the area or elsewhere in Saskatchewan who will share his or her insight on management practices implemented on their operation, that have brought them financial and production benefits."

The interest in winter-feeding may have been around for some time, but a renewed need to compile research numbers seems to have emerged lately, in order to measure successes in this field, says Lang.

"In the current research trial, we are feeding those cows on cropland. We'll be looking at impacts such as the possibility of working out agreements with neighbours with available cropland, thereby bringing the benefits of the manure that the cows are leaving out there to the landowners, while producers get the benefit of a cheaper feed source without the extra labour of feeding cows behind their barn."

These schools have been going on since 2000. So far, close to 700 producers have taken advantage of the knowledge that is shared at those events. It is a way for them also to hone their business skills, concludes Lang.

The schools this year will take place in Tisdale, February 21; Lloydminster, February 23; Swift Current, February 28; and Weyburn, March 2.

The agenda and registration form can be downloaded on the WDBC website at: http://www.wbdc.sk.ca/

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GREAT WESTERN RAILWAY IS QUICKLY HITTING CRUISING SPEED

Southern Saskatchewan's Great Western Railway (GWR) carries carloads of hope for renewed regional prosperity to towns like Ponteix, Admiral and other localities hard hit by the agricultural crisis and the abandonment of railway lines over the years.

After a year of operation under new ownership, the projected number of cars, initially estimated to be 3,200, has been eclipsed, as 3,504 cars moved on Canada's largest producer-owned short line during that period.

Acting General Manager Roger Gadd reviews this first year with weighted optimism.

"We've had some ups and down," says Gadd. "We had a major bridge failure at Meyronne in July that put us out of action for 11 days. We had seven grain cars derailed there. But once we got everything back into service, we've had a very good year ever since."

Fifty-two per cent of the 3,504 cars were producer cars, he explains.

"We have done very well on the producer side of things here, and business is picking up all the time."

Gadd is especially proud to see more farmers interested in producer loading.

"Having a majority of the shareholders being farmers helps," he says. "Farmers give us a lot of business, and the whole area is showing interest in the service provided by our short line."

Plus, there is a new development in the making: GWR recently acquired operating authority on the Fife Lake subdivision that runs from Assiniboia to Coronach.

"A group of rural municipalities, along with GWR, have acquired the former CPR line, which is now called the Fife Lake Railway Limited, to be serviced by Great Western Railway. Add to this the ethanol plant project that should be a go within the next year of so. That will also be a boost for us. One might say that things are booming."

Gadd's pride in the way things are unfolding at GWR should really not surprise anyone.

He worked with Canadian National Railways for 39 years and left there as Assistant Superintendent of Transportation. Then he became the General Manager of Carlton Trail Railway in Prince Albert for three years. Eventually, he ended up running a locomotive for GWR for a few months and took over as acting general manager in April.

"This is all old hat to me, but I'll tell you one thing about this railway: it has been the most exciting time of my whole railway career, and that is just because of the enthusiasm of people in the area, the employees and a super board of directors. It is an enjoyable job, and there is so much future and so many things that are out there for us to grab a hold of. We are looking for some diversification to grow the business. We are a grain-dependent line right now. In the grain business, they have bad years, which will directly affect the amount of traffic the railway can haul unless we diversify."

There is no doubt that Roger Gadd is in his element.

"I don't think there is anything like railroading. It has always been a love of mine. I think it is the most interesting transportation industry around. It may have gone by the wayside for years, but it has had a tremendous turn around in the last few years. Trucking had taken a lot of our business away. I think that, with the short lines and regional railroads, we have taken some of that business back, and people are starting to see the benefits. We can haul grain much cheaper than trucking over the long

haul."

Gadd and GWR investors are banking that the dawn of a new era in railway transportation has just broken in Saskatchewan as they begin their second year with the new shareholder owners.

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LOW-COST COW/CALF PRODUCTION SCHOOL COMING TO SWIFT CURRENT

In these days of tight budgets, cattle producers are compelled to reduce costs wherever they can. Beef cattle nutritionist Dick Diven has a solution he will be sharing with members of the industry from February 13 to 16 in Swift Current.

His Low-Cost Cow/Calf Production School is a four-day program based on one simple principle:

"We try to "seasonalize" the cattle with the forage," he explains. "The key point of a successful or profitable cow-calf business is conception. You have to get the cows bred. In order to facilitate conception, the cows have to be in good body condition at the time they calve, and that is based on location factors, like the time of the year and other aspects."

Diven argues that "The reason for conditioning is that birth is a tremendous strain. The endocrine system—the hormones—are pumping in one direction, so to speak. However, as soon as the cow calves, her system has to reverse and pump in the other direction in order that she'll have a shorter post-partum interval.

"Therefore," he goes on, "to come into heat early and to have a calf next year, she has to be bred within 85 days post calving, and we want the shortest post calving interval that we can possibly have. So she should cycle a couple of times and then be exposed to a bull in her third cycle when she is more fertile."

Diven puts this guidance in a low cost framework for producers by using forage instead of hay as feed.

"This means that she is going to have to calve after a period of very good forage, which is different from what we usually do in North America. We feed a lot of feed hay mostly, but also grains and so on. We have her calve early—in February-March—something like that, so that the calf will have a heavy weaning weight in the fall.

"The reason for the heavy feed is so that she is in good body condition at the time she calves in order for her to rebreed. We want to get away from that feeding. That is why we calve them in a period of lush growth. In Saskatchewan, we would look at a period of late June at about the earliest."

Diven suggests giving cows a month and a half of good forage as the direction low cost producers should adopt.

The Arizona-based consultant has given presentations to various groups in Saskatchewan before. He has spent the last 30 years working with the cattle industry on nutrition and reproductive physiology.

"We gave a couple of talks last year in Weyburn and Swift Current. We had a good response on the part of the audience and we have been encouraged to come up for a full school. We just opened it for registration a little while ago. We limit the school to 30 participants."

Diven says ranchers in Canada are very progressive.

"BSE has made them more so, I think. They are trying to cut costs. Challenging situations will happen again. We don't know what is going to happen. Beef cattle producers just want to be ready for it," he concludes.

To find out more about the school or to register, call 1-800-575-0864 or visit: http://www.lowcostcowcalf.com/

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